BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2000-591-C - ORDER NO. 2001-040

JANUARY 11, 2001

IN RE: Application of Network Telephone

Corporation for Approval of Alternative and

Flexible Regulation for its Interexchange and

Local Exchange Services.

ORDER APPROVING

ALTERNATIVE AND

FLEXIBLE

REGULATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Network Telephone Corporation (Network or the Company) for approval of alternative regulation of its interexchange business services and flexible regulation of its local exchange services. The Company seeks a relaxed form of regulation of its interexchange business service offerings in keeping with the policy and procedures set out in Commission Orders No. 95-1734 and 96-55 in Docket No. 95-661-C. Specifically, Network requests that its business long distance service, consumer card service and operators not be required to indicate maximum rates and that such tariffs be presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation of the tariff filing. Further, the Company requests that the Commission adopt a rate structure incorporating maximum rate levels for its local exchange service offerings with the flexibility for adjustment below the maximum rate levels in keeping with the procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. More specifically, Network

requests that its local exchange tariff filings be presumed valid upon filing, subject to the

Commission's right within thirty (30) days to institute an investigation of the tariff filing,

in which case such tariff filings would be suspended pending further order of the

Commission.

Pursuant to the directions of the Commission's Executive Director, a copy of the

Notice of Filing was made available to members of the Commission's subscription

service for Notices. No Protests or Petitions to Intervene were received. We will therefore

proceed to rule summarily on the request.

We have examined the proposal of the Company and find that it is consistent with

certain types of regulation that we have approved in the past for various interexchange

and local exchange carriers. The request is hereby approved as filed.

This Order shall remain in full force and effect until further Order of the

Commission.

BY ORDER OF THE COMMISSION:

E. Will

Chairman

ATTEST:

Executive Director

(SEAL)